DEPARTMENT OF WATER AFFAIRS AND FORESTRY Recreational Water Use Manual

Guideline

Subject:	Pro Forma Letter of Response: Unsolicited Bids.
Purposes:	To assist a responsible authority in responding to unsolicited applications for commercial use at water resource infrastructure.
Authority:	Public Finance Management Act, 1999 (Act No. 1 of 1999), Public Private Partnership Toolkit for Tourism.
Approval:	Director: Water Abstraction and Instream Use.
Contact:	Department of Water Affairs and Forestry, Sub-directorate Environment and Recreation, Private Bag X 313, PRETORIA, 0001, Republic of South Africa, Tel: (012) 336 8224; Fax: (012) 336 6608; E-mail: <u>deb@dwaf.gov.za</u> .

<Letterhead>

<Applicant's Contact Details>

Dear <Name of Applicant>

UNSOLICITED PROPOSAL FOR <PPP PROPOSAL> AT <NAME OF PROJECT SITE> IN <NAME OF PROTECTED AREA>

Thank you for your enquiry dated <date> for <PPP proposal>.

The Constitution of the Republic of South Africa, 1996, as well as specific regulations to the Public Finance Management Act, 1999 (PFMA), dealing with public private partnerships (PPPs), require that institutions wishing to enter into agreements with private parties in the manner you propose must follow competitive procurement processes.

National Treasury's PPP Toolkit for Tourism provides guidelines for institutions to respond to unsolicited proposals in the tourism sector. According to these, institutions must assess whether such proposals merit preparing a PPP in terms of Treasury Regulation 16 to the PFMA; are in terms of the institution's strategic plan for commercialisation; and manageable given the institution's resources and capacity.

The Department Water Affairs and Forestry (DWAF) does, however, not yet have a strategic plan for commercialisation in place and can therefore not consider the merits of your proposal in an appropriate manner at this stage. The Department has, however, embarked on a project to complete this plan and anticipates finanlising it by May 2007.

Should you still wish to provide the Department with information regarding your proposal in the interim, you may do so as specified in the attached document, *'Unsolicited tourism PPP proposal: Outline business case'*. If this information is supplied compliant with this format, your business case will be recorded and once the Department's strategic plan for commercialisation has been completed it will assess your outline business case, and if it believes that your

DEPARTMENT OF WATER AFFAIRS AND FORESTRY Recreational Water Use Manual

Guideline

proposal accords with its strategic plan for commercialisation and is manageable given its resources and capacity, the Department may decide to proceed with the feasibility and procurement phases of the regulated PPP project cycle as set out in *National Treasury's PPP Toolkit for Tourism*. This will involve, among other steps, an open and competitive bidding process. DWAF will notify you accordingly.

Please note that this correspondence does not put DWAF under any obligation to you about your unsolicited proposal. All costs of preparing and submitting your outline business case are for your own account. The information in your outline business case, other than information which is already in the public domain or which the institution is required to disclose by law, will not be disclosed by DWAF to any potential or actual competing bidders. However, DWAF does not acknowledge that any intellectual property rights arising from your unsolicited proposal and your outline business case accrue to you.

National Treasury's PPP Toolkit for Tourism is available at www.ppp.gov.za if you would like more information on the PPP project cycle and applicable regulations. You are welcome to liaise with <name and contact details of project officer> if you have any queries about the PPP process or the outline business case.

Yours sincerely,

<Designation and signature>

DATE: